*Continued from page 22*

Sun Bank, Fla. ....9.7
Third Natl. Nashville ....9.7
First of Chicago (F) ....9.6
Travelers, Conn. ....8.7
Lloyds Bank (F), Calif. ....7.1
RepublicBank Dallas ....7.1
New York Life (S.A. 3) ....6.7
John Hancock, Mass. ....5.3
InterFirst Bank Dallas ....5.2
Seafirst Bank, Wash. ....4.0
**Consumer Price Index ....2.9**

### 5-year returns

| | % |
|---|---|
| Morgan Guaranty, N.Y. | 17.4 |
| Phoenix Mutual, Conn. | 15.7 |
| Southland Trust (SREEF), Texas | 15.6 |
| Corporate Property (REIT), N.Y. | 15.6 |
| Prudential (MORISA), N.J. | 15.6 |
| NCNB Natl. Bank, N.C. | 15.4 |
| Chase Manhattan, N.Y. | 15.1 |
| Prudential (PRIMOR), N.J. | 14.9 |
| Canada Life Assurance | 14.5 |
| Aetna Life & Cas. (PMSA), Conn. | 14.4 |
| Mutual Benefit Life (VCA-5), N.J. | 14.3 |
| Metropolitan Life, N.Y. | 13.6 |
| CIGNA Corp., Conn. | 13.5 |
| Chemical Bank, N.Y. | 13.3 |
| Metropolitan Life (Tower), N.Y. | 13.0 |
| Bank One Trust Columbus | 12.2 |
| Bank of Boston, Mass. | 12.2 |
| Citicorp, N.Y. | 12.0 |
| First of Minneapolis, Minn. | 11.9 |
| Equitable Life (Prime Prop.), N.Y. | 11.8 |
| Wachovia Bank, N.C. | 11.4 |
| First of Chicago (F) | 10.9 |
| Sun Bank, Fla. | 10.8 |
| Wells Fargo Realty, Calif. | 10.6 |
| Massachusetts Mutual | 10.6 |
| Aetna Life & Cas. (RESA), Conn. | 10.6 |
| Principal Mutual Life, Iowa | 10.5 |
| Third Natl. Nashville | 9.5 |
| Prudential (PRISA), N.J. | 9.2 |
| RepublicBank, Dallas | 9.0 |
| InterFirst Bank Dallas | 8.9 |
| Travelers, Conn. | 8.7 |
| John Hancock, Mass. | 7.5 |
| Seafirst Bank, Wash. | 6.4 |
| New York Life (S.A. 3), N.Y. | 5.7 |
| **Consumer Price Index** | **3.3** |

### 10-year returns

| | % |
|---|---|
| Corporate Property (REIT), N.Y. | 20.0 |
| Morgan Guaranty, N.Y. | 18.2 |
| Wachovia Bank, N.C. | 15.1 |
| Prudential (PRISA), N.J. | 14.3 |
| NCNB Natl. Bank, N.C. | 13.8 |
| Metropolitan Life, N.Y. | 13.6 |
| Equitable Life (Prime Prop.), N.Y. | 12.9 |
| Wells Fargo Realty, Calif. | 12.4 |
| Bank of Boston, Mass. | 12.2 |
| First of Chicago (F) | 12.0 |
| Travelers, Conn. | 11.7 |
| John Hancock, Mass. | 10.7 |
| **Consumer Price Index** | **6.6** |

## Real Estate closed-end funds

### Periods ended Dec. 31

### 1-year returns

| | % |
|---|---|
| LaSalle Advisors (LF II), Ill. | 20.6 |
| Metropolitan Life (II), N.Y. | 18.8 |
| TCW Realty Advisors (II), Calif. | 17.2 |
| JMB Institutional (I) | 17.0 |
| JMB Institutional (II) | 15.8 |
| John Hancock (SERA 1), Mass. | 13.9 |
| TCW Realty Advisors (I), Calif. | 13.2 |
| State Street Bank (I), Mass. | 12.9 |
| Equitec (I), Calif. | 12.8 |
| JMB Institutional (III) | 12.5 |
| CIGNA Corp., Conn. | 11.8 |
| LaSalle Advisors (LSF), Ill. | 11.7 |
| RREEF (West III) | 11.4 |
| Aetna Life & Casualty (CERESA I) | 11.1 |
| RREEF (Mid-Am./East IV) | 10.6 |
| Landauer Advisors (I), N.Y. | 10.1 |
| Equitable Life (New prop), N.Y. | 10.1 |
| RREEF (Mid-Am. III) | 9.8 |
| State Street Bank (II), Mass. | 9.7 |
| RREEF (West V) | 9.3 |
| Aetna Life & Casualty (CERESA II) | 9.2 |
| RREEF (West IV) | 9.0 |
| RREEF (Mid-Am. II) | 9.0 |
| Metropolitan Life (I), N.Y. | 8.4 |
| Coldwell Banker (VIII) | 7.3 |
| Coldwell Banker (IV) | 7.3 |
| Sarofim Trust (SIRF P-I) | 7.2 |
| State Street Bank (III), Mass. | 6.1 |
| RREEF (West I) | 5.8 |
| RREEF (West II) | 5.6 |
| RREEF (Mid-Am. I) | 5.5 |
| Coldwell Banker (III) | 4.8 |
| RREEF (USA III) | 4.5 |
| Coldwell Banker (VI) | 4.4 |
| RREEF (USA I) | 4.1 |
| RREEF (West VI) | 3.4 |
| Coldwell Banker (V) | 3.1 |
| Coldwell Banker (II) | 1.2 |
| **Consumer Price Index** | **1.1** |
| RREEF (USA II) | 0.6 |
| Coldwell Banker (VII) | -2.6 |

### 3-year returns

| | % |
|---|---|
| JMB Institutional (I) | 20.2 |
| John Hancock (SERA 1), Mass. | 17.4 |
| State Street Bank (I), Mass. | 16.0 |
| Aetna Life & Casualty (CERESA I) | 15.2 |
| Coldwell Banker (V) | 14.8 |
| Landauer Advisors (I), N.Y. | 14.1 |
| LaSalle Advisors (LSF), Ill. | 14.0 |
| Sarofim Trust (SIRF P-I) | 13.6 |
| Equitable Life (New prop), N.Y. | 12.3 |
| RREEF (Mid-Am. II) | 11.8 |
| CIGNA Corp, Conn. | 11.4 |
| RREEF (West III) | 11.2 |
| State Street Bank (II), Mass. | 9.6 |
| Coldwell Banker (II) | 9.4 |
| Coldwell Banker (IV) | 9.4 |
| RREEF (West II) | 9.0 |
| Metropolitan Life (I), N.Y. | 8.8 |
| RREEF (USA I) | 8.7 |
| RREEF (West IV) | 7.8 |
| Coldwell Banker (III) | 7.6 |
| RREEF (West I) | 7.3 |
| Coldwell Banker (VI) | 7.2 |
| Coldwell Banker (VII) | 7.0 |
| RREEF (Mid-Am. I) | 6.7 |
| RREEF (USA II) | 4.1 |
| **Consumer Price Index** | **2.9** |

### 5-year returns

| | % |
|---|---|
| JMB Institutional (I) | 18.8 |
| LaSalle Advisors (LSF), Ill. | 15.6 |
| Coldwell Banker (V) | 13.7 |
| RREEF (Mid-Am. II) | 13.5 |
| RREEF (West III) | 12.3 |
| Coldwell Banker (II) | 11.9 |
| Coldwell Banker (IV) | 11.7 |
| RREEF (West II) | 10.4 |
| RREEF (USA I) | 10.4 |
| RREEF (West I) | 9.6 |
| Coldwell Banker (VI) | 9.3 |
| Coldwell Banker (III) | 9.0 |
| RREEF (USA II) | 8.9 |
| RREEF (Mid-Am. I) | 8.5 |
| RREEF (West IV) | 8.4 |
| **Consumer Price Index** | **3.3** |

### 10-year returns

| | % |
|---|---|
| Coldwell Banker (II) | 18.7 |
| RREEF (West I) | 15.8 |
| **Consumer Price Index** | **6.6** |


# At NCNB, We Follow The Philosophy Of The Pharaohs.

They knew two things were critical to solid real estate investments. Quality construction and teamwork. Given the enduring results of that way of thinking, NCNB insists on it too.

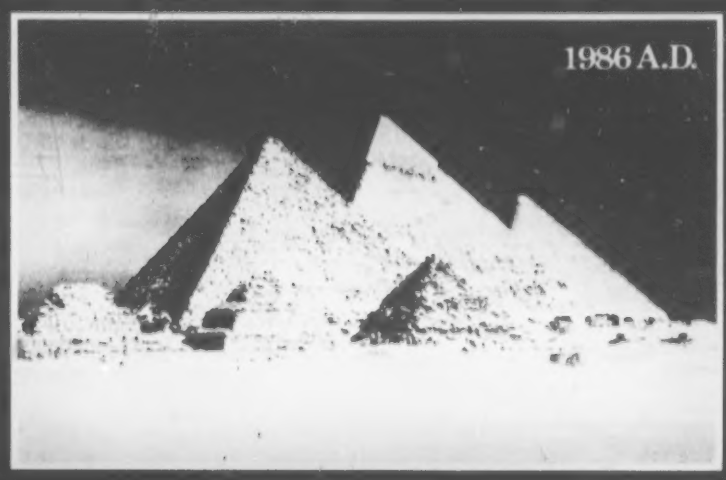
Our experienced team of development, architectural, construction, and property management specialists work exclusively with high-quality properties, located primarily in the Southeast. And our dedication to quality and teamwork has paid substantial dividends.

With consistently high returns, the NCNB Real Estate Fund has climbed to the peak of the industry in recent years. We've cemented our place at the top of the open-end fund universe with an average annual return of 16.4%* over the last five years. Our ten-year average is just as impressive.

Many real estate investments may look good in the short run, but The NCNB Real Estate Fund has passed the ultimate test...the test of time. Call Mark Coltrin, NCNB Trust Group Vice-President for details at (704) 374-8405.

*As reported by CDA Investment Technologies, Inc. for the period ending 12/31/85.

NCNB




NCNB REAL ESTATE FUND


## Wrap-up

### New allocations eyed

SAN MATEO, Calif. — It's time to begin rebuilding real estate portfolios, according to analysts with Bailard Biehl & Kaiser, San Mateo, a money management firm that provides asset allocation services.

In its "Economic Analysis and Investment Outlook" letter, firm officials said they have increased the asset allocation recommendation for real estate to 14% of assets from 8% six months ago and 5% one year ago.

Analysts recommended increasing investment in real estate because, they said, property prices are lower now than they were a year ago, levels of construction have been significantly reduced, and income yields for all cash purchases of real estate have been rising.

Also, the letter reported, mortgage rates are lower, permitting lower debt costs, and investment deals are being structured more conservatively, which is lowering risk.

### Ellis names manager

SAN FRANCISCO — Christopher J.B. Ellis has been appointed to the position of manager of the San Francisco regional office of Richard Ellis Inc., New York, a real estate investment advisory firm.

Mr. Ellis, who is not related to the company's founder, is a senior vice president, succeeding Gerald N. Parkes, a director, who has opened an Ellis office in Los Angeles.

**PIPER**

*The statistical data are extracted from Pensions & Investments' Performance Evaluation Report, a quarterly performance evaluation published by* Pensions & Investment Age. *PIPER details comparative performance data on special equity and international funds at more than 50 banks and insurance companies. PIPER is compiled by Rogers, Casey & Barksdale Inc., Stamford, Conn.*

# Stock concentration, turnover pay off

**By Chuck Paustian**

RepublicBank Dallas' Ben Fischer appears to have the Midas touch.

The bank's $10 million Select Equity Fund, run by Mr. Fischer, finished first for the year ended March 31 in Pensions & Investments' Performance Evaluation Report with a return of 108.9%. The bank also took top honors for the quarter, posting a 55.8% return.

Mr. Fischer, vice president and manager of the institutional asset management group at RepublicBank Dallas, attributed the strong performance to the fund's highly concentrated stock positions and rapid turnover.

"When you buy a stock and it goes up 15%, then buy another stock and it goes up 15% and so on, pretty soon that starts to add up," he said.

Significant weightings in the technology and consumer-service sectors along with some good, old-fashioned stock picking helped boost the returns for some of the other special equity commingled funds in the PIPER universe.

The technology and consumer-service sectors appeared to be the favorites of some of the portfolio managers, with the combined weighting of those two sectors representing as much as 75% of the total portfolio in some cases.

Once the sector bets were in place, portfolio managers used the stock-selection process to further enhance their funds' performance.

The performance of the median fund in the PIPER universe, however, lagged the return of the Standard & Poor's 500 stock index in all measurement periods except the 10-year period.

Performance figures in each of the five evaluation periods were as of March 31. Returns for the three-, five- and 10-year periods are compound annualized.

In addition to RepublicBank Dallas, other top performers for the quarter ended March 31, and their performance, were: California First Bank, San Diego, 50.2%; Security Pacific National Bank, Los Angeles, 43.5%; Texas Commerce Bank, Houston, 37.6%; and Norwest Bank, Minneapolis, 37.3%.

For the quarter, the median fund returned 20.8%, while the S&P 500 advanced 21.4%.

Following RepublicBank Dallas in the one-year period were Security Pacific, 52.1%; California First, 44.9%; E.F. Hutton Trust Co., Wilmington, Del., Growth Fund B, 42.9%; and E.F. Hutton's Emerging Growth Fund B, 41%.

The PIPER median fund advanced 17.7% during the one-year period, while the S&P 500 returned 26.2%.

Mr. Fischer said the Select Equity Fund follows a value-oriented approach, and invests in stocks with low price-to-earnings ratios and high yields.

"We didn't get a lot of high yield this time, but we did get a lot of value," he said.

"The fund is an undiversified portfolio. It's never had . . . more than six or seven or eight names in it. But, while I don't have many stocks in the portfolio at any one time, there may be quite a bit of turnover," said Mr. Fischer, adding the portfolio's annual turnover during the past three years has been between 200% and 300%.

Mr. Fischer said the fund's beta normally is between 1.2 and 1.3, while the R-squared hovers around 0.23. He said the portfolio's typical alpha was not readily available, adding, "I just know it's very positive."

As of March 31, the portfolio had a beta of 0.8, an R-squared of 0.21 and an alpha of 18.1.

Beta refers to a portfolio's level of volatility relative to the broad stock market, which has a beta of 1. The R-squared shows the correlation of the portfolio to the general market, with an exact correlation being 1. Alpha is the risk-adjusted rate of return of the portfolio.

One of the fund's better investments was **IBM Corp**. The stock was bought in late 1986 for $119 to $120 per share and sold during February and March for around $145 per share.

"You can see I'm not really hitting these," at the lows and highs, Mr. Fischer said, noting the stock later climbed to more than $160 per share. "But for the period of time I hold them, there were some good percentage gains."

Other investments include: **Comdisco Inc.**, which was bought at $26 per share and sold one month later for $30 per share; and **British Airways PLC**, bought for between $16 and $19.50 per share and sold about two months later for between $22.50 and $23 per share.

E.F. Hutton Trust captured the top two spots for the three-year period, with Growth Fund B's compound annual return of 46.8% and Emerging Growth Fund B's annualized return of 45.4%.

The other top funds for the three-year period, and their returns, were: RepublicBank Dallas, 45.3%; Security Pacific, 34.3%; and Chase Manhattan Bank, New York, Intermediate Capitalization Growth Fund, 33.5%.

The PIPER median fund's performance was 21.8%, while the S&P 500 posted a 27.4% for the three-year period.

For five years, Security Pacific grabbed the No. 1 spot with a compound annual return of 43.4%. It was followed by Citicorp, New York, Real Estate Stock Fund, 33.4%; California First, 32.5%; Norwest Bank, 30.4%; and Chase Manhattan's intermediate capitalization fund, 30.2%.

The median fund in the PIPER universe posted an annualized 22.8% for the five-year period,

*Continued on page 39*

# International funds stay light on Japan

**By Marlene Givant**

Top-performing international equity funds in the Pensions & Investments' Performance Evaluation Report are boosting exposure to Spain and small Pacific Basin markets while staying underweighted in Japan and overweighted in the United Kingdom.

Bank of America's $42 million International Employee Benefit Equity Fund, the top-ranked PIPER fund for the three-month and three-year periods ended March 31, has a mammoth 20% weighting in Spain, vs. the Morgan Stanley Capital International Europe Australia Far East index's 1% weighting.

The fund returned 26.6% for the quarter and a compound annualized 52.4% for the three years, compared with the index's 23.4% and 45.4%, respectively.

Marine Midland Bank's $34 million International Equity Fund, which ranked fourth for the year and third for the three years ended March 31 with returns of 62.8% and 41.1%, respectively — overweights Spain, Finland and Singapore/Malaysia, investing roughly 4% in each. The index has no weighting in Finland, and 0.9% in Singapore/Malaysia.

The outlook on West Germany and continental Europe as a whole varies widely, as does exposure to Japan.

The top-ranked fund for the one-year period — the $33 million International Low P/E Equity Fund of Provident National Bank, Philadelphia — has a heavy weighting in Japan, although it is underweighted relative to the index. The fund, managed by Provident Capital Management Inc., had 35% of assets in Japan, compared with the index's 57%, and returned 73.8% for the period, vs. the EAFE's 61.3%.

In contrast, Bank of America's equity fund had only a 3% exposure to Japan, yet chalked up a 72.4% return, placing second for the year.

Other top-ranked funds for the 12 months, and their returns, are the EAFE index-linked $35 million International Equity Fund of American National Bank & Trust Co. of Chicago, 68.5%, and the $1.2 billion International Index Fund of State Street Bank & Trust Co., Boston, 62.4%.

Provident National's international low p/e fund lightened its Japan weighting to 35% from 42% at year end, shifting the assets into the United Kingdom, Germany and France.

The firm's Japanese holdings include **Morozoff**, a food company, and **Nippon Gakki Co. Ltd.**, which makes Yamaha musical equipment. In the United Kingdom, it owns **Barclay's Bank**, **Sears Holdings PLC**, a retail company, and **Jaguar**.

American National's index fund beat the EAFE by more than seven percentage points by keeping transactions to a minimum.

"We don't do a lot of transacting and rebalancing and consequently we have some savings somehow. We don't buy and sell — we sort of hold and that's what happens," explained Kristen Jackson, investment officer.

For the first quarter, Bank of America's 26.6% return was followed by American National's 24.1% and State Street's 23.3%, a tad below the EAFE's 23.4%.

For the three-year period, Bank of America's fund returned a compound annualized 52.4%; American National's, 45.9%; and Marine Midland's, an annualized 41.1%. The EAFE returned 45.4% in the period.

Officials at BA Investment Management International Ltd., London, which manages the Bank of America fund, see consumer-oriented industries as the only global area worth pursuing. "The consumer is the only area of potential growth in the world economy," said Alison Edmonds, investment manager-international equities.

Government spending and the unwinding of the U.S. trade deficit won't play a key role in driving economic growth and private corporate expenditures won't be strong, said Ms. Edmonds.

The fund's portfolio is biased toward consumer goods, services and financial stocks, which are benefiting from the fall in interest rates last year and last quarter and financial deregulation worldwide, she said.

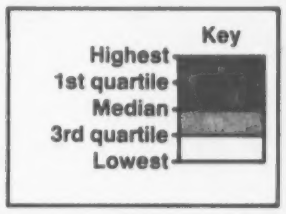
BA has been underweighted in Japan longer than most managers. Exposure to Japan is 3%, sharply down from 20% at the end of the first quarter of 1986, and vastly underweighted compared with the EAFE's

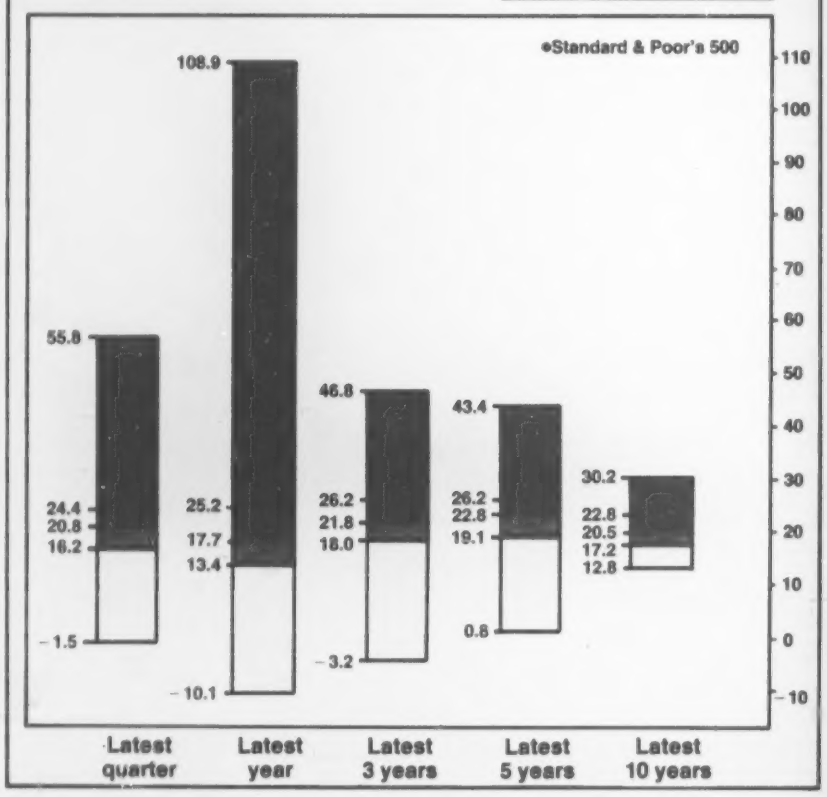
*Continued on page 42*

**Pooled special equity funds of banks and insurance companies.**

**All periods ending March 31, 1987, and all figures, except latest quarter, are annualized total returns.**

**PIPER report compiled by Rogers, Casey & Barksdale Inc.**




**PIPER tables in this issue**


| | |
|---|---|
| International funds | 38 |
| Real estate funds | 21 |
| Special equity funds | 38 |

## Top quartile commingled special equity funds

### 3-month returns

| | % |
|---|---|
| RepublicBank Dallas (Select) | 55.8 |
| California First Bank (Supp.) | 50.2 |
| Security Pacific (G), Calif. | 43.5 |
| Texas Commerce | 37.6 |
| Norwest Bank (Special.), Minn. | 37.3 |
| Irving Trust (II), N.Y. | 32.0 |
| First Pennsylvania Bank | 31.1 |
| Oregon Bank (Agg. gr.) | 30.8 |
| Lincoln Natl. Pens (Spec. opp.) | 29.6 |
| Northern Trust, Ill. | 29.1 |
| Citicorp (Resources), N.Y. | 29.0 |
| Bank of America, Calif. | 27.9 |
| IDS Trust (Emer. Gr. F), Minn. | 26.9 |
| Metropolitan Life (SA. 43), N.Y. | 26.6 |
| First Alabama, Mobile | 26.4 |
| Morgan Guaranty (Supp.), N.Y. | 26.3 |
| Marsh & McLennan (Putnam) | 25.8 |
| Wachovia Bank (Div. cap.), N.C. | 25.8 |
| Ameritrust (Tech.), Ohio | 25.7 |
| Equitable Bank, Md. | 25.7 |
| Harris Trust, Ill. | 24.8 |
| Prudential (Midco), N.J. | 24.8 |
| Bank of New York | 24.4 |
| Morgan Guaranty (Small Co.) | 24.4 |
| Chase Manhattan (Inter. cap) | 24.4 |
| **Standard & Poor's 500** | **21.4** |

### 1-year returns

| | % |
|---|---|
| RepublicBank Dallas (Select) | 108.9 |
| Security Pacific (G), Calif. | 52.1 |
| California First Bank (Supp.) | 44.9 |
| E.F. Hutton Trust (Gr. B), Del. | 42.9 |
| E.F. Hutton Trust (Emer. B), Del. | 41.0 |
| Norwest Bank, Minn. | 39.3 |
| Texas Commerce | 36.2 |
| Northern Trust, Ill. | 35.0 |
| Manufacturers Hanover (Supp.) | 34.2 |
| Chase Manhattan (Int. cap.) | 33.7 |
| Trust Co. of the West | 32.4 |
| Society Natl. (Ohio reg.), Ohio | 30.9 |
| Irving Trust (II), N.Y. | 30.0 |
| Marsh & McLennan (Putnam) | 29.9 |
| Central Fidelity (Agg.), Va. | 29.4 |
| Phoenix Mutual (Gr. S), Conn. | 27.8 |
| National Bank of Detroit (F) | 27.6 |
| Oregon Bank (Agg. gr.) | 27.2 |
| Citicorp (Resources), N.Y. | 27.1 |
| **Standard & Poor's 500** | **26.2** |
| First of Boston (Yield), Mass. | 26.1 |
| Harris Trust, Ill. | 26.1 |
| Society Natl. (Earn. mom.), Ohio | 25.2 |

### 3-year returns

| | % |
|---|---|
| E.F. Hutton Trust (Gr. B), Del. | 46.8 |
| E.F. Hutton Trust (Emer. B), Del. | 45.4 |
| RepublicBank Dallas (Select) | 45.3 |
| Security Pacific (G), Calif. | 34.3 |
| Chase Manhattan (Int. cap.) | 33.5 |
| Citicorp (Emer. health) | 33.4 |
| Trust Co. of the West | 32.4 |
| Citicorp (R.E.), N.Y. | 29.9 |
| Norwest Bank, Minn. | 29.8 |
| Metropolitan Life (SA. 43), N.Y. | 28.9 |
| First of Neenah (Eq. Inc.), Wis. | 28.4 |
| LaSalle Natl. (Small cap.), Ill. | 27.7 |
| First of Boston (Yield), Mass. | 27.6 |
| Citicorp (Spec. sit.), N.Y. | 27.5 |
| Manufacturers Hanover (Supp.) | 27.4 |
| **Standard & Poor's 500** | **27.4** |
| Old Second Natl. (HR 10), Ill. | 26.9 |
| Northern Trust, Ill. | 26.5 |
| Mellon Bank, Pa. | 26.2 |
| Connecticut Natl. (Supp.) | 26.2 |

### 5-year returns

| | % |
|---|---|
| Security Pacific (G), Calif. | 43.4 |
| Citicorp (R.E.), N.Y. | 33.4 |
| California First Bank (Supp.) | 32.5 |
| Norwest Bank, Minn. | 30.4 |
| Chase Manhattan (Int. cap.) | 30.2 |
| Connecticut Natl. (Supp.) | 29.4 |
| Citicorp (Spec. sit.), N.Y. | 28.5 |
| Provident National, Pa. | 28.5 |
| Wachovia Bank (Div. spec.), N.C. | 28.1 |
| First Pennsylvania Bank | 27.8 |
| First of Boston (Yield), Mass. | 27.6 |
| Society Natl. (Ohio reg.) | 27.2 |
| Northern Trust, Ill. | 27.0 |
| **Standard & Poor's 500** | **26.6** |
| Bank of America, Calif. | 26.4 |
| First of Boston (II), Mass. | 26.4 |
| Chase Manhattan (Value), N.Y. | 26.3 |

### 10-year returns

| | % |
|---|---|
| California First Bank (Supp.) | 30.2 |
| MTrust, Texas (Growth) | 27.5 |
| Equitable Bank, Md. | 25.7 |
| Northern Central, Pa. | 25.0 |
| Norwest Bank, Minn. | 24.1 |
| First of Maryland | 23.6 |
| Chase Manhattan, N.Y. | 23.2 |
| Chase Manhattan (Int. cap.) | 23.1 |
| Bank of America, Calif. | 23.0 |
| **Standard & Poor's 500** | **17.0** |

## Commingled international funds

### 3-month returns

| | % |
|---|---|
| Bank of America (Eq.), Calif. | 26.6 |
| American Natl. Chicago (Eq.) | 24.1 |
| **MSCI EAFE Index** | **23.4** |
| State Street Bank (Index) | 23.3 |
| Prudential (Print eq.), N.J. | 22.9 |
| **MSCI World Index** | **22.6** |
| Marine Midland (Eq.), N.Y. | 22.0 |
| IDS Trust (Col. eq.), Minn. | 17.3 |
| Chase Manhattan (Global eq.) | 17.0 |
| HT Investors (Eq.), R.I. | 16.7 |
| CIGNA Corp. (Eq.), Conn. | 16.7 |
| Bessemer Trust (E), N.Y. | 16.2 |
| Aetna MIM (Eq.), Conn. | 15.8 |
| Citicorp (Eq.), N.Y. | 14.8 |
| Prudential (Foreign bond), N.J. | 14.4 |
| First of Chicago (Eq.) | 14.4 |
| Toledo Trust (Global bond) | 14.1 |
| Mellon Bank (Eq.), Pa. | 13.6 |
| Marsh & McLennan (Putnam) | 13.6 |
| Citicorp (Fixed), N.Y. | 13.6 |
| Morgan Guaranty (Bond), N.Y. | 13.2 |
| First of Chicago (Non $ fixed) | 13.1 |
| Bank of America (Fixed), Calif. | 12.7 |
| US Trust (Eq.), N.Y. | 12.5 |
| RepublicBank Dallas (Stock) | 12.4 |
| California First Bank (Eq.) | 11.6 |
| Centerre Trust (Col. W), Mo. | 10.3 |
| Prudential (Global bond), N.J. | 10.1 |
| Morgan Guaranty (Eq.), N.Y. | 9.3 |
| Provident Natl. (Low p/e), Pa. | 9.3 |
| Toledo Trust (Eq.), Ohio | 7.0 |
| Travelers Hill Samuel (SA W) | 2.9 |

### 1-year returns

| | % |
|---|---|
| Provident Natl. (Low p/e), Pa. | 73.8 |
| Bank of America (Eq.), Calif. | 72.4 |
| American Natl. Chicago (Eq.) | 68.5 |
| Marine Midland (Eq.), N.Y. | 62.8 |
| State Street Bank (Index), Mass. | 62.4 |
| **MSCI EAFE Index** | **61.3** |
| Bessemer Trust (E), N.Y. | 56.0 |
| Chase Manhattan (Glob. eq.) | 55.0 |
| CIGNA Corp. (Eq.), Conn. | 53.3 |
| Prudential (Print eq.), N.J. | 53.1 |
| IDS Trust (Col. eq.), Minn. | 52.7 |
| US Trust (Eq.), N.Y. | 51.0 |
| Citicorp (Eq.), N.Y. | 49.7 |
| RepublicBank Dallas (Stock) | 48.4 |
| First of Chicago (Eq.) | 47.5 |
| Centerre Trust (Col. W), Mo. | 44.8 |
| **MSCI World Index** | **41.1** |
| HT Investors (Eq.), R.I. | 43.7 |
| Aetna MIM (Eq.), Conn. | 42.4 |
| Morgan Guaranty (Eq.), N.Y. | 39.7 |
| California First Bank (Eq.) | 39.7 |
| Mellon Bank (Eq.), Pa. | 36.4 |
| Travelers Hill Samuel (SA W) | 34.0 |
| Prudential (Foreign bond), N.J. | 32.8 |
| First of Chicago (Non $ fixed) | 32.4 |
| Citicorp (Fixed), N.Y. | 32.0 |
| Bank of America (Fixed), Calif. | 31.6 |
| Marsh & McLennan (Putnam) | 31.6 |
| Toledo Trust (Global bond) | 30.8 |
| Toledo Trust (Eq.), Ohio | 29.4 |
| Prudential (Global bond), N.J. | 28.4 |
| Morgan Guaranty (Bond), N.Y. | 28.1 |

### 3-year returns

| | % |
|---|---|
| Bank of America (Eq.), Calif. | 52.4 |
| American Natl. Chicago (Eq.) | 45.9 |
| **MSCI EAFE Index** | **45.4** |
| Marine Midland (Eq.), N.Y. | 41.1 |
| Bessemer Trust (E), N.Y. | 39.4 |
| Marsh & McLennan (Putnam) | 38.9 |
| Citicorp (Eq.), N.Y. | 38.6 |
| First of Chicago (Eq.) | 37.9 |
| Aetna MIM (Eq.), Conn. | 37.0 |
| IDS Trust (Col. eq.), Minn. | 36.8 |
| **MSCI World Index** | **36.1** |
| Chase Manhattan (Global eq.) | 35.8 |
| US Trust (Eq.), N.Y. | 34.9 |
| Centerre Trust (Col. W), Mo. | 33.8 |
| RepublicBank Dallas (Stock) | 32.7 |
| Prudential (Global bond), N.J. | 32.5 |
| Morgan Guaranty (Eq.), N.Y. | 29.8 |
| HT Investors (Eq.), R.I. | 29.3 |
| Mellon Bank (Eq.), Pa. | 29.0 |
| Travelers Hill Samuel (SA W) | 27.3 |
| Prudential (Foreign bond), N.J. | 26.3 |
| Bank of America (Fixed), Calif. | 26.2 |
| Citicorp (Fixed), N.Y. | 25.4 |
| First of Chicago (Non $ fixed) | 24.8 |
| Morgan Guaranty (Bond), N.Y. | 24.1 |


**CD/INTERNATIONAL™— For the first time, worldwide financial information in a compatible format.**

This new compact disc database provides timely company fundamental data on the world's 4,000 leading corporations. Hundreds of financial variables for each company are format adjusted for consistency and to ease comparison across countries—enabling you to take advantage of investment opportunities in today's global market.

**CD/INTERNATIONAL— Financial data you can rely on.**

This powerful information source is based on the Worldscope™ database assembled by two authorities on money management and international accounting standards—*Wright Investors' Service (WIS)* and the *Center for International Financial Analysis and Research (CIFAR)*.

With its monthly updates, you can be sure of getting current, accurate information that will help guide your investment decisions.

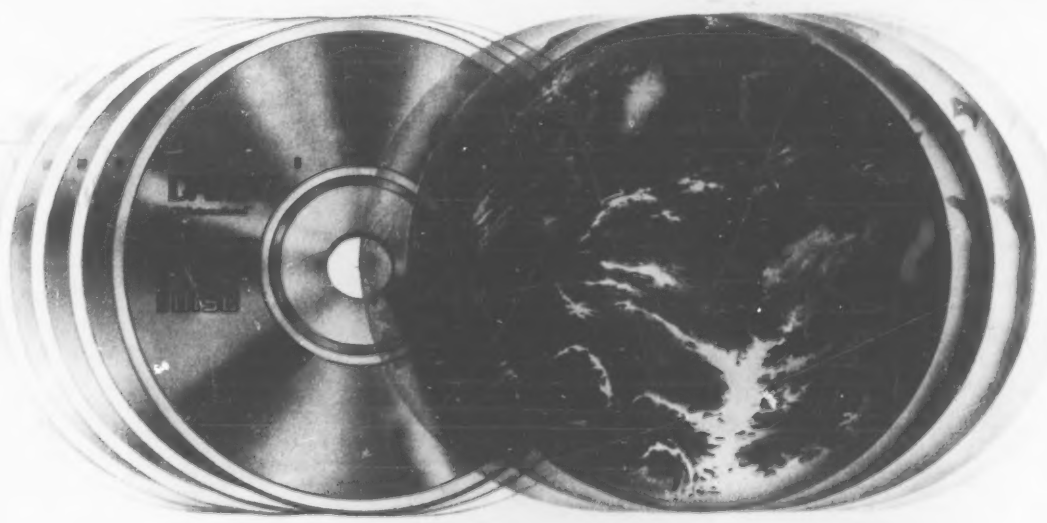
**CD/INTERNATIONAL— On the easy-to-use DATEXT system.**

Utilizing the latest CD-ROM technology and DATEXT's advanced search and retrieval software, CD/INTERNATIONAL provides the most practical database ever. Used with your IBM or compatible personal computer, it offers built-in analysis, standard and custom reports, and global screening capabilities. Reports can be transferred to popular spreadsheet or word processing programs for further manipulation. And, unlike on-line services, CD/INTERNATIONAL is available for a fixed, predictable f

**CD/INTERNATIONAL— A strategic investment tool.**

Now you can make informed global decisions without leaving your desk. In fact, we'll demonstrate how, right at your desk. Just call **1-800-521-6667** today.

DATEXT.
A COX ENTERPRISES COMPANY
The Most Advanced Form of Business Information.
444 Washington Street
Woburn, MA 01801
617-938-6667



**NOW, GLOBAL INVESTORS CAN REVIEW 85% OF THE WORLD'S MARKET VALUE WITHOUT CIRCLING THE GLOBE**

# Stock concentration . . .

*Continued from page 37*

while the S&P 500 increased 26.6%.

Performance figures for the 10-year period show California First on top, with a compound annual return of 30.2%, followed by MTrust, Dallas, 27.5%; Equitable Bank, Baltimore, 25.7%; Northern Central Bank, Williamsport, Pa., 25%; and Norwest Bank, 24.1%.

The 10-year period was the only period in which the PIPER median fund outperformed the market index. The median fund posted 20.5%, while the S&P 500 increased 17%.

Hilton Hemphill, president of MSecurities, Dallas, which runs the $26 million Growth Fund, as well as other commingled funds, for MTrust, said, "Most of the success of the portfolio over the last several months has been from technology." The fund returned 23.5% for the quarter and 13.5% for the one-year period.

Mr. Hemphill said the consumer-service sector also represents a significant portion of the portfolio's holdings. Between 25% and 30% of the fund's assets are invested in each sector, he said.

The fund is invested in small-capitalization, growth companies following a bottom-up approach. "The emphasis in the portfolio reflects the sector we're making in the larger-capitalization portfolios," Mr. Hemphill said.

Some of the better performing stock holdings in the fund include **Microsoft Corp.**, a software company bought at $49 per share and recently selling for $119 per share, and **Intermedics Inc.**, a medical supply company bought at $14 per share and now selling around $23 per share.

Norwest Bank's $94 million Special Situation Fund also benefited from its exposure to technology and consumer-service stocks, according to Robert B. Mersky, president and portfolio manager at Peregrine Capital Management Inc., Minneapolis, which runs the portfolio for the bank.

Mr. Mersky said the two sectors represented about 75% of the fund's total assets. The stock-selection process, however, plays a dominant role in the portfolio's strategy, he said.

"We uncover information gaps. We want to know something that most other investors are not yet aware of," said Mr. Mersky. "With so many stocks out there that are publicly traded, it's not surprising so many get little attention from brokers."

Among the top-performing stocks in the portfolio were **Chiron Corp.**, a biotechnology company the fund bought at $17 per share and which was recently selling for around $35 per share; **Scimed Life Systems Inc.**, a medical technology firm, bought at $14 per share and now priced around $22 per share; and **Chambers Development Co. Inc.**, a waste disposal company, which the fund bought around $7 per share and which recently was selling for $29 per share.

Some of the funds performed strongly based on the merits of the manager's stock-picking ability.

"Our whole orientation is one of analyzing change and associating that change with specific investment targets," said Neal Miller, managing director of Chase Investors Management Corp., New York, the money management arm of Chase Manhattan Bank.

"My experience over the years has allowed me to separate the wheat from the chaff," he said.

Mr. Miller is the portfolio manager for the $350 million Intermediate Capitalization Growth Fund. He said an example of the type of change he looks for is when the Federal Communications Commission decided to allow companies to own 11 broadcasting stations, rather than seven. "Within a two-year time span we've had a complete reorganization of that industry."

Some of the portfolio's holdings include **Laidlaw Transportation Ltd.**, a Canadian company involved with providing services that had been handled by the government, bought at $7 per share and recently selling around $15.50 per share; and **Ocean Drilling & Exploration Co.**, with one of the largest off-shore drilling fleets, bought at $14 per share and recently selling around $23.

Another fund that relied heavily on stock selection was Citicorp's $35 million Real Estate Stock Fund. The fund is managed by Citicorp Investment Management Inc., New York.

Kenneth Statz, a vice president at Citicorp Investment Management and portfolio manager for the fund, said he doesn't let bleak outlooks for the general real estate market deter him. "We try to pick the real estate that is providing the cash flow," he said.

Mr. Statz said the fund invests in the stock of companies that manage or develop various properties. "Basically we try to provide the return provided by developing and managing real estate, but we do it through a stock vehicle so we have liquidity."

The portfolio's stock holdings include **Federal Realty Investment Trust**, bought at a blended price of $8 per share and recently priced at $23 per share; **Newhall Land and Farming Co.**, which was purchased at a blended price of $4 per share and recently selling for $34 per share; and **Cousins Properties Inc.**, bought at a blended price of $4.50 per share and now selling around $21. ■

### 5-year returns

| | % |
|---|---|
| IDS Trust (Col. eq.), Minn. | 38.8 |
| Bank of America (Eq.), Calif. | 38.1 |
| **MSCI EAFE Index** | **37.7** |
| American Natl. Chicago (Eq.) | 36.8 |
| Citicorp (Eq.), N.Y. | 34.2 |
| Marsh & McLennan (Putnam) | 33.9 |
| US Trust (Eq.), N.Y. | 33.4 |
| First of Chicago (Eq.) | 33.1 |
| Centerre Trust (Col. W), Mo. | 33.0 |
| **MSCI World Index** | **31.9** |
| Bessemer Trust (E), N.Y. | 31.4 |
| Morgan Guaranty (Eq.), N.Y. | 30.6 |
| Mellon Bank (Eq.), Pa. | 28.3 |
| Chase Manhattan (Global eq.) | 26.3 |
| First of Chicago (Non $ fixed) | 20.4 |
| Morgan Guaranty (Bond), N.Y. | 20.1 |
| Bank of America (Fixed), Calif. | 19.7 |
| Citicorp (Fixed), N.Y. | 18.6 |

### 10-year returns

| | % |
|---|---|
| **MSCI EAFE Index** | **24.6** |
| US Trust (Eq.), N.Y. | 24.4 |
| First of Chicago (Eq.) | 21.1 |
| Morgan Guaranty (Eq.), N.Y. | 20.9 |
| **MSCI World Index** | **20.2** |

### Upcoming events

*Pensions & Investment Age*'s Datebook has expanded its coverage, and now includes listings of more upcoming events.

If you are sponsoring a conference or meeting and wish it included in Datebook, send information to Arlise Larson, *Pensions & Investment Age*, 740 N. Rush St., Chicago, Ill. 60611; (312) 649-5407.


When investing in foreign countries, you need a secret agent.

An agent who knows the ins and outs of foreign financial centers. And who knows how to accomplish your global custody aims; quietly, swiftly, surely.

A secret agent called The Mitsubishi Bank of California. As part of the world's fourth largest bank, with assets in excess of $210 billion, we get the job done for your trust/custodial accounts handling security settlements and transfers, foreign exchange, income collection, and tax reclamations, without calling attention to ourselves or what's being accomplished for you.

And, Mitsubishi Bank brings you two additional security measures as well. There are no double agents. Your clients remain your clients. And, Mitsubishi Bank headquarters are in Los Angeles; the most advantageous time zone for seizing European and Pacific basin opportunities within a single business day.

How secret is Mitsubishi Bank? It ranks third, behind Chase and State Street, in global custody assignments. And how many people know that?

Call Gearey Johnstone at (213) 621-1305 for more information on how many ways your global custody needs can be met by having a secret agent. And how many ways your institution can profit from having the surveillance and protection of secret service.

The best kept secret in global custody.

MITSUBISHI BANK
OF CALIFORNIA
800 Wilshire Blvd., Los Angeles, CA 90017